Exhibit B

2005 Annual Report

CONTINUING

Progress

Freddie Mac

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Table 5 sets forth the high and low sale prices of our common stock for the periods indicated.

Table 5 — Quarterly Common Stock Information

	Sale Prices(1) High	Sale Prices(1) Low
2006 Quarter Ended		
March 31	$68.75	$60.64
2005 Quarter Ended		
December 31	$67.49	$54.85
September 30	66.91	54.50
June 30	67.87	58.51
March 31	73.91	59.74
2004 Quarter Ended		
December 31	$74.20	$64.15
September 30	69.50	61.73
June 30	64.62	56.45
March 31	65.15	57.60

(1) The principal market is the NYSE, and prices are based on the Composite Tape.

At June 1, 2006, the closing price for our common stock was $60.66 per share.

Issuer Purchases of Equity Securities

On October 5, 2005, our board of directors authorized us to repurchase up to $2 billion of outstanding shares of our common stock and to issue up to $2 billion of non-cumulative, perpetual preferred stock, in each case, from time to time depending on market conditions and other factors. We do not expect the completion of the authorized capital transactions to have a material impact on our regulatory minimum capital surplus, including the 30 percent mandatory target set in January 2004 by OFHEO. In accordance with the existing capital monitoring framework established by OFHEO in January 2004, we obtained OFHEO's approval for this common stock repurchase. This repurchase authorization replaces all unused repurchase authority remaining under the common stock repurchase plan approved by the board of directors in September 1997. We did not repurchase any common stock during 2005.

Dividends

Table 6 sets forth the cash dividend per common share that we have declared for the periods indicated.

Table 6 — Dividends Per Common Share

	Regular Cash Dividend Per Share
2006 Quarter Ended	
June 30	$0.47
March 31	$0.47
2005 Quarter Ended	
December 31	$0.47
September 30	$0.35
June 30	$0.35
March 31	$0.35
2004 Quarter Ended	
December 31	$0.30
September 30	$0.30
June 30	$0.30
March 31	$0.30

We have historically paid dividends to our stockholders in each quarter. Our board of directors will determine the amount of dividends, if any, declared and paid in any quarter after considering our capital position and earnings and growth prospects, among other factors. See "NOTE 10: REGULATORY CAPITAL" to the consolidated financial statements for additional information regarding dividend payments and potential restrictions on such payments and "NOTE 9: STOCKHOLDERS' EQUITY" to the consolidated financial statements for additional information regarding our preferred stock dividend rates.

Holders

As of June 1, 2006, we had 2,343 common stockholders of record.

Transfer Agent and Registrar

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NYSE Corporate Governance Listing Standards

On August 4, 2005, our Chief Executive Officer submitted to the NYSE the certification required by Section 303A.12(a) of the NYSE Listed Company Manual regarding our compliance with the NYSE's corporate governance listing standards.

FORWARD-LOOKING STATEMENTS

We regularly communicate information concerning our business activities to investors, securities analysts, the news media and others as part of our normal operations. Some of these communications include "forward-looking statements" pertaining to our current expectations and objectives for financial reporting, future business plans, results of operations, financial condition and trends. Forward-looking statements are typically accompanied by, and identified with, terms such as "estimates," "continue," "promote," "consider," "enables," "currently," "priorities," "remain," "anticipate," "initiative," "preliminary," "ongoing," "believes," "expects," "intend," "plan," "future," "seek," "potential," "objectives," "long-term," "ultimately," "goal," "will," "may," "might," "should," "could," "would," "likely" and similar phrases. This Information Statement includes forward-looking statements. These statements are not historical facts, but rather represent our expectations based on current information, plans, estimates and projections. Forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control. You should be careful about relying on any forward-looking statements and should also consider all risks, uncertainties and other factors described in this Information Statement in considering any forward-looking statements. Actual results may differ materially from those discussed as a result of various factors, including those factors described in the "RISK FACTORS" section of this Information Statement. Factors that could cause actual results to differ materially from the expectations expressed in these and other forward-looking statements by management include, among others:

- our ability to effectively and timely implement the remediation plan undertaken as a result of the restatement of our consolidated financial statements and the consent order entered into with OFHEO, including particular initiatives relating to technical infrastructure and controls over financial reporting;
- our ability to effectively implement our business strategies and manage the risks in our business;
- changes in our assumptions regarding rates of growth in our business, spreads we expect to earn, required capital levels, the timing and impact of capital transactions;
- our ability to effectively manage and implement changes; developments or impacts of accounting standards and interpretations;
- the availability of debt financing and equity capital in sufficient quantity and at attractive rates to support continued growth in our Retained portfolio, to refinance maturing debt and to meet regulatory capital requirements;
- changes in pricing or valuation methodologies, models, assumptions and/or estimates;
- volatility of reported results due to changes in fair value of certain instruments or assets;
- the rate of growth in total outstanding U.S. residential mortgage debt and the size of the U.S. residential mortgage market;
- preferences of originators in selling into the secondary market;
- borrower preferences for fixed-rate mortgages or ARMs;
- investor preferences for mortgage loans and mortgage-related and debt securities versus other investments;
- the occurrence of a major natural or other disaster in geographic areas in which portions of our Total mortgage portfolio are concentrated;
- other factors and assumptions described in this Information Statement, including in the sections titled "BUSINESS," "RISK FACTORS" and "MD&A;"
- our assumptions and estimates regarding the foregoing; and
- market reactions to the foregoing.

We undertake no obligation to update forward-looking statements we make to reflect events or circumstances after the date of this Information Statement, or to reflect the occurrence of unanticipated events.

SELECTED FINANCIAL DATA[1]

	At or for the Year Ended December 31,				
	2005	2004	2003	2002	2001
	(dollars in millions, except share-related amounts)				
Income Statement Data					
Net interest income	$ 5,370	$ 9,137	$ 9,498	$ 9,525	$ 7,448
Non-interest income (loss)	199	(3,039)	(244)	7,154	(1,591)
Net income before cumulative effect of changes in accounting principles	2,189	2,937	4,816	10,090	3,115
Cumulative effect of changes in accounting principles, net of taxes	(59)	—	—	—	43
Net income	2,130	2,937	4,816	10,090	3,158
Preferred stock dividends and issuance costs on redeemed preferred stock	(223)	(210)	(216)	(239)	(217)
Net income available to common stockholders	$ 1,907	$ 2,727	$ 4,600	$ 9,851	$ 2,941
Earnings per common share before cumulative effect of changes in accounting principles:					
Basic	$ 2.84	$ 3.96	$ 6.69	$ 14.22	$ 4.19
Diluted	2.83	3.94	6.68	14.17	4.17
Earnings per common share after cumulative effect of changes in accounting principles:					
Basic	$ 2.76	$ 3.96	$ 6.69	$ 14.22	$ 4.25
Diluted	2.75	3.94	6.68	14.17	4.23
Dividends per common share	$ 1.52	$ 1.20	$ 1.04	$ 0.88	$ 0.80
Weighted average common shares outstanding (in thousands):					
Basic	691,582	689,282	687,094	692,727	692,603
Diluted	693,511	691,521	688,675	695,116	695,973
Balance Sheet Data					
Total assets	$ 806,222	$ 795,284	$ 803,449	$ 752,249	$ 641,100
Senior debt, net due within one year	288,532	282,303	295,262	244,429	264,227
Senior debt, net due after one year	454,627	443,772	438,738	415,662	311,013
Subordinated debt, net due after one year	5,633	5,622	5,613	5,605	3,128
Miscellaneous liabilities[2]	29,290	30,662	30,420	52,914	40,489
Minority interests in consolidated subsidiaries	949	1,509	1,929	2,309	2,619
Stockholders' equity	27,191	31,416	31,487	31,330	19,624
Portfolio Balances[3]					
Retained portfolio (unpaid principal balances)[4]	$ 710,017	$ 652,936	$ 645,466	$ 567,272	$ 497,639
Total Guaranteed PCs and Structured Securities issued (unpaid principal balances)[5]	1,335,524	1,208,968	1,162,068	1,090,624	961,511
Total mortgage portfolio (unpaid principal balances)	1,684,217	1,505,206	1,414,399	1,316,609	1,150,723
Ratios					
Return on average assets[6]	0.3%	0.4%	0.6%	1.4%	0.6%
Return on common equity[7]	7.7	10.2	17.2	47.2	20.2
Return on total equity[8]	7.3	9.3	15.3	39.6	17.1
Dividend payout ratio on common stock[9]	56.4	30.7	15.6	6.2	18.9
Equity to assets ratio[10]	3.7	3.9	4.0	3.7	3.4

(1) Effective January 1, 2005, we changed our method of accounting for interest expense related to callable debt instruments to recognize interest expense using an effective interest method over the contractual life of the debt and changed our method for determining gains and losses upon the re-sale of PCs and Structured Securities related to deferred items recognized in connection with our guarantee of those securities. See "NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES" to our consolidated financial statements. Effective January 1, 2003, we adopted the provisions of FASB Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others," or FIN 45, and FASB Staff Position FIN 45-2, "Whether FASB Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others,' Provides Support for Subsequently Accounting for a Guarantor's Liability at Fair Value." We also adopted the provisions of Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," or SFAS 133, and the provisions of Emerging Issues Task Force No. 99-20, "Recognition of Interest Income and Impairment on Purchased and Retained Beneficial Interests in Securitized Financial Assets," or EITF 99-20, as of January 1, 2001 and April 1, 2001, respectively.

(2) Includes (a) Due to Participation Certificate investors, (b) Accrued interest payable, (c) Guarantee obligation, (d) Derivative liabilities, at fair value, (e) Reserve for guarantee losses on Participation Certificates and (f) Other liabilities, as presented on our consolidated balance sheets.

(3) Excludes mortgage loans and mortgage-related securities traded, but not yet settled.

(4) The Retained portfolio presented in our consolidated balance sheets differs from the Retained portfolio on this table because the consolidated balance sheet caption includes valuation adjustments and deferred balances. See "MD&A — CONSOLIDATED RESULTS OF OPERATIONS — Table 17 — Characteristics of Mortgage Loans and Mortgage-Related Securities in the Retained Portfolio" for more information.

(5) Excludes Structured Securities where we have resecuritized PCs and other previously issued Structured Securities. These excluded Structured Securities do not increase our credit-related exposure and consist of single-class Structured Securities backed by PCs, REMICs and principal-only strips. The notional balances of interest-only strips are excluded because this line item is based on unpaid principal balance. Also excluded from this line item are modifiable and combinable REMIC tranches and interest and principal classes where the holder has the option to exchange the security tranches for other pre-defined security tranches.

(6) Ratio computed as Net income divided by the simple average of beginning and ending Total assets.

(7) Ratio computed as Net income available to common stockholders divided by the simple average of beginning and ending Stockholders' equity, net of Preferred stock, at redemption value.

(8) Ratio computed as Net income divided by the simple average of beginning and ending Stockholders' equity.

(9) Ratio computed as Common stock dividends declared divided by Net income available to common stockholders.

(10) Ratio computed as the simple average of beginning and ending Stockholders' equity divided by the simple average of beginning and ending Total assets.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

EXECUTIVE SUMMARY

Our Business

Freddie Mac is one of the leading institutions financing residential mortgage loans in the United States. We purchase residential mortgages and mortgage-related securities in the secondary market and use them to issue our own mortgage-related securities. We also purchase residential mortgages and mortgage-related securities in the secondary market to hold for investment purposes in our Retained portfolio. We finance our purchases primarily by issuing a variety of debt instruments in the capital markets.

In general, our purchases of mortgage loans are driven by the growth in total residential mortgage debt outstanding, the requirements of our charter, the affordable housing goals and subgoals set for us by HUD, the attractiveness of the returns available to us from securitization and portfolio investment activities and our level of customer service. In 2005, our share of the total residential mortgage debt market improved as we increased our single-family mortgage purchases and our purchases of non-agency mortgage-related securities for our Retained portfolio. Our share of the portion of the mortgage securitization market attributable to the GSEs increased from about 41 percent in 2004 to about 45 percent in 2005. Our market share will vary from period to period. We continue to seek lasting improvements in our overall market share and our GSE market share over time by improving customer service, diversifying our customer base and expanding the types of mortgages we guarantee and products we offer.

Our Mission

Our mission is to provide liquidity, stability and affordability in the secondary market for residential mortgages. Our activities contribute to the availability of affordable mortgage products in the U.S. We view the purchase of mortgage loans benefiting low- and moderate-income families and neighborhoods as an integral part of our mission and business, and we are committed to fulfilling the needs of these borrowers and markets. We are also subject to affordable housing goals set by HUD. We have reported to HUD that we achieved each of the affordable housing goals and subgoals for 2005, although HUD will make the final determination.

Responding to events such as the devastation on the Gulf Coast is at the core of our mission. In the immediate aftermath of Hurricane Katrina, we provided temporary mortgage payment relief, expedited the release of insurance proceeds, and modified our policies to accommodate our sellers and servicers, and ultimately the homeowners and renters, affected by the hurricanes. We committed to infuse up to $300 million of liquidity into the affected Gulf area and took humanitarian steps — committing more than $10 million to hurricane relief efforts and providing temporary housing assistance to approximately 1,100 families. We are also using our Retained portfolio to buy up to $1 billion in mortgage revenue bonds, enabling state housing finance authorities to make low-cost mortgages and home repair loans for up to 10,000 low- and moderate-income families.

Fair Value Management

We believe fair value measures provide an important view of our business economics and risks because fair value takes a consistent approach to the representation of substantially all financial assets and liabilities, rather than an approach that combines historical cost and fair value measurements, as is the case with our GAAP-based consolidated financial statements. Fair value is defined as the amount at which an asset or liability could be exchanged between willing parties, other than in a forced or liquidation sale. We use estimates of fair value on a routine basis to make decisions about our business activities. In addition, we use fair value derived performance measures to establish corporate objectives and as a factor in determining management compensation. Our consolidated fair value balance sheets are an important component of our risk management processes, as we use estimates of the changes in fair value to calculate our Portfolio Market Value Sensitivity, or PMVS, and duration gap measures. For information about how we estimate the fair value of financial instruments, see "NOTE 16: FAIR VALUE DISCLOSURES" to our consolidated financial statements.

We promote long-term growth in the fair value of net assets primarily by seeking investment portfolio opportunities that offer attractive net mortgage-to-debt option-adjusted spreads and credit guarantee opportunities that offer attractive spreads relative to anticipated credit risks. We actively manage risks to long-term fair value growth inherent in these portfolios. Our long-term expectation is to generate returns, before capital transactions, over time on the average fair value of net assets attributable to common stockholders in the low- to mid-teens.

Capital Management

Our objective in managing capital is to preserve our safety and soundness, while maintaining sufficient capital to take advantage of new business opportunities and support our mission at attractive long-term returns. If available, we consider

returning excess capital to stockholders. At December 31, 2005, our estimated regulatory core capital was $36.0 billion, with an estimated minimum capital surplus of $11.0 billion and an estimated surplus in excess of the 30 percent mandatory target of approximately $3.5 billion. We expect to be able to maintain a surplus over both our regulatory minimum capital requirement and the 30 percent mandatory target across a wide range of market conditions.

In 2005, we increased our quarterly common stock dividend on two occasions: a 17 percent increase in the first quarter (from $0.30 per share to $0.35 per share) and an additional 34 percent increase in the fourth quarter (from $0.35 per share to $0.47 per share). In October 2005, our board authorized us to repurchase up to $2 billion of outstanding shares of common stock and to issue up to $2 billion of non-cumulative perpetual preferred stock. With the release of our 2005 financial results in May, we have moved forward with the repurchase of common stock and we expect to issue the authorized preferred stock from time to time depending on market conditions and other factors.

Risk Management

Our portfolio investment and credit guarantee activities expose us to three broad categories of risk: (a) operational risks, (b) interest-rate and other market risks, and (c) credit risks. Risk management is a critical aspect of our business. Effectively managing risk enables us to accomplish our mission and generate revenue and long-term value. Our strategies for managing these risks are discussed in "RISK MANAGEMENT."

Operational Risks and Internal Controls

We have devoted substantial financial and personnel resources to improving our internal controls. We continue to remediate material weaknesses and other deficiencies in internal control over financial reporting. Although we accelerated a number of previously planned control initiatives, we have a significant number of internal control deficiencies that have not been fully remediated and considerable challenges remain. See "RISK MANAGEMENT — Operational Risks — *Internal Control over Financial Reporting*" and "RISK FACTORS — Business and Operational Risks."

Interest-Rate Risk

Our interest-rate risk remains low. For all of 2005 and through May of 2006, PMVS and duration gap have averaged one percent and zero months, respectively. See "RISK MANAGEMENT — Interest-Rate Risk and Other Market Risks" for more information about these risks and our strategies for managing them.

Credit Risk

Our credit losses also remain low. Our single-family delinquency rate declined to 69 basis points at December 31, 2005 from 73 basis points at the end of 2004. At April 30, 2006 our single-family delinquency rate declined further to 56 basis points. For 2005, our credit losses totaled $149 million or 1.1 basis points of our average Total mortgage portfolio. Our credit-related expenses, which include changes in our provision for loan losses and expenses related to real estate owned, or REO, increased in 2005 primarily as a result of Hurricane Katrina. See "RISK MANAGEMENT — Credit Risks" for more information about these risks and our strategies for managing them.

Summary of 2005 Financial Results

GAAP Results

Changes in the level and volatility of interest rates continue to cause significant volatility in our reported financial results primarily because only a portion of our balance sheet is marked to fair value. Net income after the cumulative effect of a change in accounting principle was $2,130 million for 2005, down from $2,937 million for 2004. Diluted earnings per common share after the cumulative effect of a change in accounting principle was $2.75 for 2005, down from $3.94 for 2004. The decline in net income for 2005 compared to 2004 was primarily due to lower net interest income as a result of narrowing spreads on fixed-rate assets and a greater proportion of variable-rate assets purchased in 2005, an agreement to settle the securities class action and shareholder derivative litigation, charges related to Hurricane Katrina, and the net impact of certain accounting changes, partially offset by lower losses related to our derivative instruments not in qualifying hedge accounting relationships. Our derivatives portfolio continued to be an effective component of our risk management activities. See "NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES" to our consolidated financial statements for information about our changes in accounting principles and changes in estimates.

Fair Value Balance Sheets

During 2005, the fair value of net assets attributable to common stockholders, before capital transactions, increased by $1.0 billion, which represents a return on the average fair value of net assets attributable to common stockholders of approximately 3.7 percent. The fair value of net assets attributable to common stockholders at December 31, 2005 was unchanged, after capital transactions, at $26.8 billion, from December 31, 2004. Subsequent to the issuance of our Information Statement Supplement dated May 30, 2006, we increased the fair value of net assets at December 31, 2005 by $0.1 billion to correct an error in the calculation of the fair value of our debt securities issued.